

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6335

BILL NUMBER: SB 242

NOTE PREPARED: Apr 1, 2013

BILL AMENDED: Jan 31, 2013

SUBJECT: Homeland Security Matters.

FIRST AUTHOR: Sen. Wyss

FIRST SPONSOR: Rep. Frye

BILL STATUS: As Passed House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: *Emergency Response Commission-* The bill provides that the Emergency Response Commission (Response Commission) may withhold funding from a local emergency planning committee for failing to provide proof that each committee member is properly trained in the code of ethics.

Statewide Mutual Aid Program Request- The bill provides that a unit that requests assistance through the Statewide Mutual Aid Program (Aid Program) must: (1) provide a copy of the request to the state Emergency Operations Center (EOC) within 48 hours after making the request; and (2) state that the request is being made through the aid program. The bill provides that a unit that renders assistance through the aid program and seeks reimbursement must submit an itemized statement of expenses to the unit that receives the assistance not more than 30 days after the assistance is rendered.

Radioactive Materials Shippers- The bill requires a shipper of "highway route controlled quantity" (HRCQ) radioactive materials to obtain a shipping permit from and pay certain fees to the Department of Homeland Security (DHS), and notify the emergency center of the shipment. The bill imposes a civil penalty on a shipper of HRCQ radioactive materials that fails to obtain a permit, pay a fee, or notify the emergency center. The bill deposits the fees and penalties in the Nuclear Response Fund (response fund). The bill provides that money in the response fund may be used to enforce provisions relating to the transportation of HRCQ radioactive materials. (Under current law, money in the NRF may be used only to enforce provisions related to the transportation of radioactive waste.)

Regional Public Safety Training Fund- The bill specifies the funding sources of the Regional Public Safety Training Fund (Training Fund). The bill provides that certain money in the Training Fund must be used for

fire investigation training. The bill requires the DHS to transfer all money in the Statewide Arson Investigation Financial Assistance Fund (Arson Fund) to the Training Fund. The bill provides that the statute establishing the arson fund expires July 1, 2013.

Emergency Rules- The bill provides that the Board of Firefighting Personnel Standards and Education (Education Board) may adopt emergency rules concerning the adoption of the standards of the National Fire Protection Association. The bill establishes notice and hearing requirements and expiration dates for the emergency rules.

Technical Correction- The bill makes a technical correction.

Effective Date: Upon passage; July 1, 2013.

Explanation of State Expenditures: *Emergency Response Commission-* The response commission would have an extra criterion for which a local emergency planning committee could be denied funds from hazardous chemical inventory fees. As a result, there may be additional withheld funds that the response commission could use for the purposes of hazardous material training, mitigation, preparedness, and recovery. The impact of this provision on state expenditures would depend on future response commission action.

Regional Public Safety Training Fund- This provision would, not later than June 30, 2013, require the DHS to transfer the remaining balance within the Statewide Arson Investigation Financial Assistance Fund to the Regional Public Safety Training Fund. The transfer would have to be used for fire investigation training. Additionally, the bill makes certain that the Training Fund would also consist of public safety fees deposited under the statute governing the fireworks public safety fee. Under current law (IC 22-11-14-12(c)(1)), the training fund receives an annual transfer of \$2 M from the fireworks public safety fee.

Emergency Rules- The Board of Firefighting Personnel Standards and Education, if they choose to, would be able to adopt emergency rules within an existing business meeting of the board members. The Education Board consists of 11 members. The Education Board has statutory authority to meet as the education board determines is necessary.

Explanation of State Revenues: *Radioactive Materials Shippers-* This provision would increase state revenues by an indeterminable amount, which would depend on total shipments and penalties assessed in a given year.

Fees- The fees would be assessed under the following schedule:

- Truck Shipment: \$1,800 per truck.
- Rail Shipment: \$1,300 for the first cask, \$125 per each additional cask.

One shipper reported to the DHS that 24 of their trucks transported HRCQ materials through Indiana during CY 2011. Had the proposed fees been in place, the revenue generated would have been approximately \$43,200. However, there may have been other vendors that did not report HRCQ transports through Indiana to the Indiana State Police or the DHS.

Additionally, the Director of DHS would have the ability to increase the minimum fee if the increase applies uniformly across all fees and is limited to an amount necessary to cover the costs of administering the program.

Penalties- Penalties would equal two times the applicable fees above per violation. All fees and penalties would be deposited in the Nuclear Response Fund.

Background Information-

Emergency Response Commission- Under current law, the response commission annually receives 10% of the revenues placed in the Local Emergency Planning and Right to Know Fund (RTK Fund). Revenue in the RTK Fund is generated by fees on hazardous chemical facilities. The total revenue for the RTK Fund was \$4.83 M during FY 2012. Ten percent of the total revenue would have resulted in a transfer of approximately \$483,000 to the response commission for distribution to local planing centers. Total transfers made to local planing centers from the response commission during FY 2012 were \$481,491. Nineteen local planing centers had funds withheld during FY 2012 totaling \$79,460. Of the local planing centers for which funds were withheld, 10 were noncompliant and the other 9 were inactive.

Regional Public Safety Training Fund- As of June 30, 2012, the Training Fund had an unassigned fund balance of \$2.3 M. Grants made from the training fund during FY 2012 totaled \$532,514. The grants went to local units of government and nonprofit organizations.

State Arson Investigation Financial Assistance Fund- As of January 29, 2013, the Arson Fund had assets totaling \$10,850.

State Educational Institutions- A state educational institution is defined to be a university, college, or other educational institution existing in Indiana on or after March 29, 1971, that is supported, in whole or part, by appropriations made by the General Assembly. The seven state educational institutions are Purdue University, Ball State University, Indiana University, Indiana State University, Ivy Tech State College, University of Southern Indiana, and Vincennes University.

HRCQ Shipments- As of December 10, 2012, there have been 38 HRCQ shipments through Indiana during CY 2012.

Explanation of Local Expenditures: *Statewide Mutual Aid Program Request-* A participating local unit of government would have additional administrative responsibility to provide the state EOC with a copy of the request for assistance from and an itemized statement of expenses for the Statewide Mutual Aid Program.

Explanation of Local Revenues: *Emergency Response Commission-* The additional requirement that each member of a local planing center must be properly trained in the code of ethics may make some existing local planing centers that currently have received funds from the response commission noncompliant. The impact of this provision on local revenues would depend on the level of compliance within the local planing centers that currently receive funding.

State Agencies Affected: Department of Homeland Security; Emergency Response Commission, Board of Firefighting Personnel Standards and Education.

Local Agencies Affected: Local emergency planning committees, local units of government making a statewide mutual aid program request.

Information Sources: Mara Snyder, Director of Legal and Code Services, Department of Homeland Security; Auditor's Database; *Indiana Department of Revenue 2012 Annual Report*.

Fiscal Analyst: Chris Baker, 317-232-9851.